

## S HOTELS AND RESORTS

THAILAND / TOURISM &amp; LEISURE

## SHR TB

BUY

UNCHANGED

## 3Q24 results at first glance

**SHR booked a smaller core loss of THB20m in 3Q24 (vs THB81m in 2Q24), in line with our estimate**

## Highlights

- SHR reported a 3Q24 core loss of THB20m, improving from the THB81m loss in 2Q24, in line with our estimate.
- Including the THB29m fair value loss on interest rate derivatives and a THB5m unrealized loss on FX, the net loss was THB53m.
- Maldives hotels' RevPAR grew by 9% y-y in 3Q24, driven by a strong OCC rate of 67% (vs 63% in 3Q23) following a more diverse guest mix, including guests from China, Kazakhstan, France, and Australia.
- Outrigger hotels' RevPAR jumped by 48% y-y from the robust growth of Fiji hotels and the reopening of the Mauritius hotel (since Nov-23).
- RevPAR of UK hotels grew by 7% y-y thanks to higher ADR.
- RevPAR of Thai hotels grew by only 1% y-y, pressured by the partial renovation of SAii Laguna Phuket.
- Overall, revenue grew 6% y-y in 3Q24 and the EBITDA margin declined to 24% (vs 26% in 3Q23) due to higher management fees for Outrigger and UK hotels.
- SO/ Maldives recorded a share of loss of THB60m in 3Q24 (vs THB66m loss in 2Q24) thanks to better cost control.

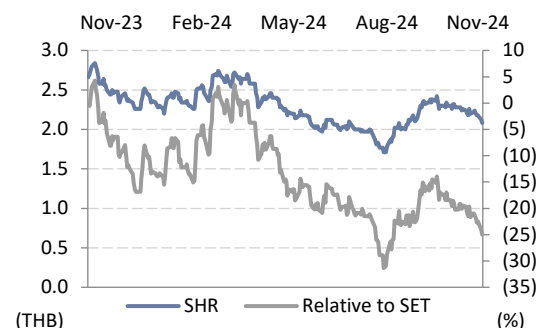
## Outlook

- We believe 4Q24 earnings should turn profitable. SAii Laguna Phuket's renovation program is progressing faster than planned and is scheduled for completion by Dec-24. Maldives is entering its high tourism season and we expect SO/ Maldives' OCC rate to improve to 55-60% (vs 40% in 3Q24), leading to a narrower core loss of THB30-40m.
- SHR trades at cheap and undemanding valuations of 0.5x 2024E P/BV and 7x 2025E EV/EBITDA (vs peers' averages of 1.5x and 13x).

TARGET PRICE	THB3.80
CLOSE	THB2.08
UP/DOWNSIDE	+82.7%
TP vs CONSENSUS	+24.6%

## KEY STOCK DATA

YE Dec (THB m)	2023	2024E	2025E	2026E
Revenue	9,701	10,442	10,942	11,226
Net profit	87	150	367	518
EPS (THB)	0.02	0.04	0.10	0.14
vs Consensus (%)	-	(24.5)	(3.8)	1.4
EBITDA	2,226	2,596	2,781	2,835
Recurring net profit	80	150	367	518
Core EPS (THB)	0.02	0.04	0.10	0.14
EPS growth (%)	nm	87.8	145.0	40.9
Core P/E (x)	93.7	49.9	20.4	14.4
Dividend yield (%)	-	0.8	2.0	2.8
EV/EBITDA (x)	10.5	8.7	7.8	7.3
Price/book (x)	0.5	0.5	0.5	0.4
Net debt/Equity (%)	98.2	92.7	85.5	77.9
ROE (%)	0.5	0.9	2.2	3.1



Share price performance	1 Month	3 Month	12 Month
Absolute (%)	(9.6)	17.5	(20.6)
Relative to country (%)	(8.0)	5.5	(23.7)
Mkt cap (USD m)	215		
3m avg. daily turnover (USD m)	0.4		
Free float (%)	33		
Major shareholder	S Hotels and Resorts Inter (49%)		
12m high/low (THB)	2.84/1.70		
Issued shares (m)	3,593.64		

Sources: Bloomberg consensus; FSSIA estimates



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## Exhibit 1: SHR – 3Q24 results summary

	3Q23	4Q23	1Q24	2Q24	3Q24	----- Change -----		2023	2024E	Change
	(THB m)	(THB m)	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)
<b>Sales</b>	<b>2,401</b>	<b>2,479</b>	<b>2,743</b>	<b>2,469</b>	<b>2,534</b>	<b>3</b>	<b>6</b>	<b>9,701</b>	<b>10,442</b>	<b>8</b>
- Self-Managed Hotels	320	423	739	342	314	(8)	(2)			
- Outrigger Hotels	402	419	353	534	620	16	54			
- Project Crossroads Hotels	519	693	911	570	515	(10)	(1)			
- UK	1,161	943	739	1,023	1,085	6	(7)			
COGS (Incl. depreciation)	(1,548)	(1,462)	(1,633)	(1,657)	(1,565)	(6)	1	(6,213)	(6,492)	4
<b>Gross Profit</b>	<b>853</b>	<b>1,017</b>	<b>1,109</b>	<b>812</b>	<b>969</b>	<b>19</b>	<b>14</b>	<b>3,488</b>	<b>3,951</b>	<b>13</b>
SG&A	(597)	(675)	(687)	(597)	(632)	6	6	(2,419)	(2,589)	7
<b>Operating Profit</b>	<b>256</b>	<b>343</b>	<b>422</b>	<b>214</b>	<b>336</b>	<b>57</b>	<b>31</b>	<b>1,068</b>	<b>1,362</b>	<b>27</b>
Other income	91	36	59	70	12	(83)	(87)	205	212	3
- Fx gains (losses)	(3)	(1)	(0)	2	(12)	(861)	285			
- Other income	95	37	59	69	24	(64)	(74)	205	212	3
Interest expense	(304)	(299)	(298)	(294)	(285)	(3)	(6)	(1,124)	(1,150)	2
<b>Pretax profit</b>	<b>44</b>	<b>79</b>	<b>183</b>	<b>(10)</b>	<b>64</b>	<b>(755)</b>	<b>45</b>	<b>150</b>	<b>424</b>	<b>182</b>
Income Tax	(42)	51	9	(6)	(23)	271	(45)	18	(58)	(423)
Associates	(12)	(66)	(63)	(66)	(60)	(8)	390	(88)	(215)	144
Minority interest	0	0	0	0	0			0	0	
<b>Core profit</b>	<b>(10)</b>	<b>65</b>	<b>129</b>	<b>(81)</b>	<b>(20)</b>	<b>(76)</b>	<b>(94)</b>	<b>80</b>	<b>150</b>	<b>88</b>
Extraordinaries, GW & FX	25	(1)	(17)	10	(34)			7	0	
Net unrealized (loss)/gain on FX	25	(11)	(17)	(5)	(5)			(4)	0	
Non-recurring items	0.3	10	(0)	15	(29)			11		
<b>Reported net profit</b>	<b>15</b>	<b>64</b>	<b>112</b>	<b>(72)</b>	<b>(53)</b>	<b>(25)</b>	<b>(456)</b>	<b>87</b>	<b>150</b>	<b>73</b>
Shares out (end Q, m)	3,594	3,594	3,594	3,594	3,594	0	0	3,594	3,594	0
<b>Core EPS</b>	<b>(0.00)</b>	<b>0.02</b>	<b>0.04</b>	<b>(0.02)</b>	<b>(0.01)</b>	<b>(76)</b>	<b>94</b>	<b>0.02</b>	<b>0.04</b>	<b>88</b>
<b>EPS</b>	<b>0.00</b>	<b>0.02</b>	<b>0.03</b>	<b>(0.02)</b>	<b>(0.01)</b>	<b>(25)</b>	<b>(456)</b>	<b>0.02</b>	<b>0.04</b>	<b>73</b>
COGS (Excl. depreciation)	(1,248)	(1,179)	(1,298)	(1,323)	(1,240)	(6)	(1)	(5,056)	(5,258)	4
Depreciation	(301)	(283)	(335)	(335)	(325)	(3)	8	(1,158)	(1,234)	7
EBITDA	636	596	753	554	613	11	(4)	2,343	2,592	11
<b>Key ratios</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>	<b>(ppt)</b>	<b>(%)</b>	<b>(%)</b>	<b>(ppt)</b>
Gross margin	36	41	40	33	38	(5)	3	36	38	2
SG&A/Revenue	25	27	25	24	25	(1)	0	25	25	(0)
EBITDA margin	26	24	27	22	24	(2)	(2)	24	25	1
Net profit margin	1	3	4	(3)	(2)	(1)	(3)	1	1	1
<b>Operating stats</b>										
<b>Self-Managed Hotels</b>										
OCC (%)	59.2	56.6	88.5	56.5	50.9					
ADR (THB)	6,344	9,012	11,200	7,017	7,351					
RevPAR (THB)	3,724	5,104	9,914	3,963	3,744					
<b>Outrigger Hotels</b>										
OCC (%)	43.3	61.6	54.2	72.4	80.9					
ADR (THB)	13,024	10,176	8,590	9,877	10,313					
RevPAR (THB)	5,643	6,273	4,657	7,148	8,346					
<b>Project Crossroads Hotels</b>										
OCC (%)	63.2	68.0	88.9	60.7	67.2					
ADR (THB)	10,584	14,947	16,175	13,338	10,836					
RevPAR (THB)	6,690	10,167	14,378	8,102	7,277					
<b>UK Hotels</b>										
OCC (%)	76.1	62.2	59.1	70.4	74.9					
ADR (THB)	4,237	3,716	3,439	4,352	4,609					
RevPAR (THB)	3,226	2,312	2,032	3,064	3,452					

Sources: SHR; FSSIA estimates

## Financial Statements

### S Hotels and Resorts

Profit and Loss (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Revenue	8,693	9,701	10,442	10,942	11,226
Cost of goods sold	(5,807)	(6,213)	(6,492)	(6,726)	(6,888)
<b>Gross profit</b>	<b>2,885</b>	<b>3,488</b>	<b>3,951</b>	<b>4,216</b>	<b>4,338</b>
Other operating income	-	-	-	-	-
Operating costs	(2,142)	(2,419)	(2,589)	(2,692)	(2,786)
<b>Operating EBITDA</b>	<b>1,859</b>	<b>2,226</b>	<b>2,596</b>	<b>2,781</b>	<b>2,835</b>
Depreciation	(1,116)	(1,158)	(1,234)	(1,258)	(1,283)
Goodwill amortisation	-	-	-	-	-
<b>Operating EBIT</b>	<b>743</b>	<b>1,068</b>	<b>1,362</b>	<b>1,524</b>	<b>1,552</b>
Net financing costs	(842)	(1,124)	(1,150)	(1,137)	(1,105)
Associates	(21)	(88)	(215)	(136)	(17)
Recurring non-operating income	73	117	(4)	80	204
Non-recurring items	53	7	0	0	0
<b>Profit before tax</b>	<b>27</b>	<b>69</b>	<b>208</b>	<b>467</b>	<b>651</b>
Tax	(13)	18	(58)	(99)	(134)
<b>Profit after tax</b>	<b>14</b>	<b>87</b>	<b>150</b>	<b>367</b>	<b>518</b>
Minority interests	0	0	0	0	0
Preferred dividends	-	-	-	-	-
Other items	-	-	-	-	-
<b>Reported net profit</b>	<b>14</b>	<b>87</b>	<b>150</b>	<b>367</b>	<b>518</b>
<b>Non-recurring items &amp; goodwill (net)</b>	<b>(53)</b>	<b>(7)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Recurring net profit</b>	<b>(39)</b>	<b>80</b>	<b>150</b>	<b>367</b>	<b>518</b>
<b>Per share (THB)</b>					
Recurring EPS *	(0.01)	0.02	0.04	0.10	0.14
Reported EPS	0.00	0.02	0.04	0.10	0.14
DPS	0.00	0.00	0.02	0.04	0.06
Diluted shares (used to calculate per share data)	3,594	3,594	3,594	3,594	3,594
<b>Growth</b>					
Revenue (%)	92.6	11.6	7.6	4.8	2.6
Operating EBITDA (%)	411.7	19.7	16.6	7.2	1.9
Operating EBIT (%)	nm	43.8	27.5	11.9	1.9
Recurring EPS (%)	nm	nm	87.8	145.0	40.9
Reported EPS (%)	nm	502.2	73.1	145.0	40.9
<b>Operating performance</b>					
Gross margin inc. depreciation (%)	33.2	36.0	37.8	38.5	38.6
Gross margin exc. depreciation (%)	46.0	47.9	49.6	50.0	50.1
Operating EBITDA margin (%)	21.4	22.9	24.9	25.4	25.3
Operating EBIT margin (%)	8.5	11.0	13.0	13.9	13.8
Net margin (%)	(0.4)	0.8	1.4	3.4	4.6
Effective tax rate (%)	(289.8)	(12.1)	13.8	16.5	20.0
Dividend payout on recurring profit (%)	-	-	40.0	40.0	40.0
Interest cover (X)	1.0	1.1	1.2	1.4	1.6
Inventory days	16.6	16.6	16.4	16.4	16.5
Debtor days	18.7	19.5	19.3	19.6	20.4
Creditor days	130.1	121.9	118.0	118.0	118.9
Operating ROIC (%)	9.7	4.0	3.9	4.3	4.3
ROIC (%)	9.7	4.1	3.5	4.1	4.4
ROE (%)	(0.2)	0.5	0.9	2.2	3.1
ROA (%)	8.8	3.6	3.0	3.5	3.7

\* Pre exceptional, pre-goodwill and fully diluted

Revenue by Division (THB m)	2022	2023	2024E	2025E	2026E
Self-managed	1,098	1,749	1,914	2,120	2,170
Outrigger	1,486	1,457	1,976	2,133	2,185
Crossroads Ph1 (Maldives hotels)	2,445	2,545	2,795	2,884	2,973
UK	3,664	3,951	3,758	3,805	3,897

Sources: S Hotels and Resorts; FSSIA estimates

## Financial Statements

### S Hotels and Resorts

Cash Flow (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Recurring net profit	(39)	80	150	367	518
Depreciation	1,116	1,158	1,234	1,258	1,283
Associates & minorities	-	-	-	-	-
Other non-cash items	109	409	(8)	(8)	(8)
Change in working capital	1,052	370	(12)	0	(13)
<b>Cash flow from operations</b>	<b>2,238</b>	<b>2,017</b>	<b>1,364</b>	<b>1,617</b>	<b>1,780</b>
Capex - maintenance	(116)	(3,077)	(619)	(649)	(666)
Capex - new investment	-	-	-	-	-
Net acquisitions & disposals	(277)	(60)	0	0	0
Other investments (net)	-	-	-	-	-
<b>Cash flow from investing</b>	<b>(393)</b>	<b>(3,137)</b>	<b>(619)</b>	<b>(649)</b>	<b>(666)</b>
Dividends paid	0	0	0	(60)	(147)
Equity finance	0	(461)	0	0	0
Debt finance	(1,418)	1,337	(400)	0	(1,000)
Other financing cash flows	139	(19)	0	0	0
<b>Cash flow from financing</b>	<b>(1,280)</b>	<b>857</b>	<b>(400)</b>	<b>(60)</b>	<b>(1,147)</b>
Non-recurring cash flows	-	-	-	-	-
Other adjustments	0	0	0	0	0
<b>Net other adjustments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Movement in cash</b>	<b>566</b>	<b>(263)</b>	<b>345</b>	<b>908</b>	<b>(33)</b>
Free cash flow to firm (FCFF)	2,686.85	3.35	1,895.18	2,105.17	2,218.71
Free cash flow to equity (FCFE)	565.63	198.21	345.15	968.15	114.19

#### Per share (THB)

FCFF per share	0.75	0.00	0.53	0.59	0.62
FCFE per share	0.16	0.06	0.10	0.27	0.03
Recurring cash flow per share	0.33	0.46	0.38	0.45	0.50

Balance Sheet (THB m) Year Ending Dec	2022	2023	2024E	2025E	2026E
Tangible fixed assets (gross)	36,291	41,369	41,996	42,652	43,326
Less: Accumulated depreciation	(7,323)	(10,474)	(11,708)	(12,966)	(14,248)
<b>Tangible fixed assets (net)</b>	<b>28,968</b>	<b>30,895</b>	<b>30,288</b>	<b>29,687</b>	<b>29,078</b>
<b>Intangible fixed assets (net)</b>	<b>1,630</b>	<b>1,628</b>	<b>1,628</b>	<b>1,628</b>	<b>1,628</b>
Long-term financial assets	-	-	-	-	-
Invest. in associates & subsidiaries	704	764	764	764	764
Cash & equivalents	2,479	2,216	2,561	3,470	3,437
A/C receivable	501	535	570	608	646
Inventories	229	231	240	250	256
Other current assets	1,324	790	850	891	914
<b>Current assets</b>	<b>4,533</b>	<b>3,772</b>	<b>4,222</b>	<b>5,218</b>	<b>5,253</b>
Other assets	615	664	664	664	664
<b>Total assets</b>	<b>36,450</b>	<b>37,723</b>	<b>37,566</b>	<b>37,961</b>	<b>37,386</b>
Common equity	16,019	16,091	16,241	16,548	16,919
Minorities etc.	0	0	0	0	0
<b>Total shareholders' equity</b>	<b>16,019</b>	<b>16,091</b>	<b>16,241</b>	<b>16,548</b>	<b>16,919</b>
Long term debt	16,674	18,012	17,612	17,612	16,612
Other long-term liabilities	1,612	1,604	1,604	1,604	1,604
<b>Long-term liabilities</b>	<b>18,286</b>	<b>19,616</b>	<b>19,216</b>	<b>19,216</b>	<b>18,216</b>
A/C payable	1,711	1,667	1,734	1,803	1,848
Short term debt	0	0	0	0	0
Other current liabilities	433	349	376	394	404
<b>Current liabilities</b>	<b>2,144</b>	<b>2,016</b>	<b>2,109</b>	<b>2,197</b>	<b>2,252</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,450</b>	<b>37,723</b>	<b>37,566</b>	<b>37,961</b>	<b>37,386</b>
Net working capital	(90)	(461)	(449)	(448)	(436)
Invested capital	31,826	33,490	32,895	32,294	31,698

\* Includes convertibles and preferred stock which is being treated as debt

#### Per share (THB)

Book value per share	4.46	4.48	4.52	4.60	4.71
Tangible book value per share	4.00	4.02	4.07	4.15	4.26

#### Financial strength

Net debt/equity (%)	88.6	98.2	92.7	85.5	77.9
Net debt/total assets (%)	38.9	41.9	40.1	37.3	35.2
Current ratio (x)	2.1	1.9	2.0	2.4	2.3
CF interest cover (x)	1.7	1.2	1.3	1.9	1.1

Valuation	2022	2023	2024E	2025E	2026E
<b>Recurring P/E (x) *</b>	<b>(192.1)</b>	<b>93.7</b>	<b>49.9</b>	<b>20.4</b>	<b>14.4</b>
<b>Recurring P/E @ target price (x) *</b>	<b>(350.9)</b>	<b>171.1</b>	<b>91.1</b>	<b>37.2</b>	<b>26.4</b>
Reported P/E (x)	519.7	86.3	49.9	20.4	14.4
Dividend yield (%)	-	-	0.8	2.0	2.8
Price/book (x)	0.5	0.5	0.5	0.5	0.4
Price/tangible book (x)	0.5	0.5	0.5	0.5	0.5
EV/EBITDA (x) **	11.7	10.5	8.7	7.8	7.3
EV/EBITDA @ target price (x) **	15.0	13.2	11.1	10.0	9.5
EV/invested capital (x)	0.7	0.7	0.7	0.7	0.7

\* Pre-exceptional, pre-goodwill and fully diluted \*\* EBITDA includes associate income and recurring non-operating income

Sources: S Hotels and Resorts; FSSIA estimates

# S HOTELS AND RESORTS PCL (SHR TB)

## FSSIA ESG rating


**25.0 /100**

### Exhibit 2: FSSIA ESG score implication

Rating	Score	Implication
★★★★★	>79-100	Leading its industry peers in managing the most significant ESG risks which not only better cost efficiency but also lead to higher profitability.
★★★★☆	>59-79	A mixed track record of managing the most significant ESG risks and opportunities relative to industry peers.
★★★☆☆	>39-59	Relevant ESG materiality matrix has been constructively addressed, well-managed and incorporated into day-to-day operations, in which targets and achievements are evaluated annually.
★★☆☆☆	>19-39	<b>Relevant ESG materiality matrix has been identified with key management in charge for progress to be followed up on and to provide intensive disclosure. Most targets are conventional and achievable.</b>
★☆☆☆☆	1-19	The company has adopted the United Nations Sustainable Development Goals (UN SDGs), established sustainability management guidelines and fully complies with regulations or ESG suggested guidance from related organizations such as the SET and SEC.

Sources: FSSIA estimates

### Exhibit 3: ESG – peer comparison

	FSSIA ESG score	Domestic ratings							Global ratings					Bloomberg		
		DJSI	SET THSI	THSI	CG score	AGM level	Thai CAC	Morningstar ESG risk	ESG Book	MSCI	Moody's	Refinitiv	S&P Global	ESG score	Disclosure score	
SET100	69.20	5.34	4.40	4.40	4.76	4.65	3.84	Medium	51.76	BBB	20.87	58.72	63.91	3.72	28.17	
Coverage	67.12	5.11	4.15	4.17	4.83	4.71	3.53	Medium	52.04	BB	16.97	56.85	62.09	3.40	31.94	
BEYOND	24.98	--	--	--	5.00	5.00	Certified	--	39.83	--	--	--	--	--	--	--
CENTEL	62.78	--	Y	Y	5.00	5.00	Certified	Medium	57.54	--	--	71.56	48.00	2.93	54.19	
DUSIT	24.81	--	--	--	5.00	4.00	Certified	--	46.50	--	--	--	--	--	--	--
ERW	39.65	--	--	--	4.00	4.00	Certified	--	54.22	--	--	51.15	21.00	3.90	--	--
MINT	84.43	Y	Y	Y	5.00	4.00	Certified	Medium	57.57	AA	37.00	91.18	69.00	5.00	--	--
SHR	25.00	--	Y	Y	5.00	5.00	--	--	--	--	--	--	--	--	--	--

Sources: [SETTRADE.com](https://www.settrade.com); \* FSSIA estimate; FSSIA's compilation

### Exhibit 4: ESG disclosure from the company's one report

FY ending Dec 31	FY 2022	FY ending Dec 31	FY 2022
<b>Environmental</b>		<b>Governance</b>	
Climate change policy	Yes	<b>Board size / Independent directors (ID) / Female</b>	<b>9 / 5 / 1</b>
Climate change opportunities discussed	--	No. of board meetings for the year / % attendance	8 / 97.22
GHG scope 2 location-based policy	Yes	Company conducts board evaluations	Yes
Biodiversity policy	Yes	Number of non-executive directors on board	7
Energy efficiency policy	Yes	Director share ownership guidelines	No
Electricity used	Yes	Board age limit	No
Fuel used - crude oil/diesel	--	Age of the youngest / oldest director	53 / 69
Waste reduction policy	Yes	Number of executives / female	6 / 3
Water policy	Yes	Executive share ownership guidelines	No
Water consumption	Yes	<b>Size of audit committee / ID</b>	<b>3 / 3</b>
<b>Social</b>		Audit committee meetings	4
Human rights policy	Yes	Audit committee meeting attendance (%)	100
Policy against child labor	Yes	<b>Size of compensation committee / ID</b>	<b>3 / 3</b>
Quality assurance and recall policy	Yes	Number of compensation committee meetings	4
Consumer data protection policy	Yes	Compensation committee meeting attendance (%)	100
Equal opportunity policy	Yes	<b>Size of nomination committee / ID</b>	<b>3 / 3</b>
Gender pay gap breakout	--	Number of nomination committee meetings	4
Pct women in workforce	33.8	Nomination committee meeting attendance (%)	100
Business ethics policy	Yes	Board compensation (THB m)	10.33
Anti-bribery ethics policy	Yes	Executive compensation (THB m)	53.96
Health and safety policy	Yes	Auditor fee (THB m)	2.2
Lost time incident rate - employees	--	(PricewaterhouseCoopers ABAS Limited)	
Training policy	Yes	Total employee (no.)	<b>2663</b>
Fair remuneration policy	Yes	Employee compensation (THB m)	1379.4
Number of employees - CSR	Yes	<b>Sustainability governance</b>	
Total hours spent by firm - employee training	1700	Verification type	--
Social supply chain management	Yes	Board duration (years)	3

Source: FSSIA's compilation

## Disclaimer for ESG scoring

ESG score	Methodology	Rating																				
The Dow Jones Sustainability Indices (DJSI) By S&P Global	The DJSI World applies a transparent, rules-based component selection process based on the companies' Total Sustainability Scores resulting from the annual S&P Global Corporate Sustainability Assessment (CSA). Only the top-ranked companies within each industry are selected for inclusion.	Be a member and invited to the annual S&P Global Corporate Sustainability Assessment (CSA) for DJSI. Companies with an S&P Global ESG Score of less than 45% of the S&P Global ESG Score of the highest scoring company are disqualified. The constituents of the DJSI indices are selected from the Eligible Universe.																				
Sustainability Investment List (THSI) by The Stock Exchange of Thailand (SET)	THSI quantifies responsibility in Environmental and Social issues by managing business with transparency in Governance, updated annually. Candidates must pass the preemptive criteria, with two crucial conditions: 1) no irregular trading of the board members and executives; and 2) free float of >150 shareholders, and combined holding must be >15% of paid-up capital. Some key disqualifying criteria include: 1) CG score of below 70%; 2) independent directors and free float violation; 3) executives' wrongdoing related to CG, social & environmental impacts; 4) equity in negative territory; and 5) earnings in red for > 3 years in the last 5 years.	To be eligible for <b>THSI inclusion</b> , verified data must be scored at a minimum of 50% for each indicator, unless the company is a part of DJSI during the assessment year. The scoring will be fairly weighted against the nature of the relevant industry and materiality. <b>SETTHSI Index</b> is extended from the THSI companies whose 1) market capitalization > THB5b (~USD150b); 2) free float >20%; and 3) liquidity >0.5% of paid-up capital for at least 9 out of 12 months. The SETTHSI Index is a market capitalisation-weighted index, cap 5% quarterly weight at maximum, and no cap for number of stocks.																				
CG Score by Thai Institute of Directors Association (Thai IOD)	An indicator of CG strength in sustainable development, measured annually by the Thai IOD, with support from the Stock Exchange of Thailand (SET). The results are from the perspective of a third party, not an evaluation of operations.	Scores are rated in six categories: 5 for Excellent (90-100), 4 for Very Good (80-89), 3 for Good (70-79), 2 for Fair (60-69), 1 for Pass (60-69), and not rated for scores below 50. Weightings include: 1) the rights; 2) and equitable treatment of shareholders (weight 25% combined); 3) the role of stakeholders (25%); 4) disclosure & transparency (15%); and 5) board responsibilities (35%).																				
AGM level By Thai Investors Association (TIA) with support from the SEC	It quantifies the extent to which shareholders' rights and equitable treatment are incorporated into business operations and information is transparent and sufficiently disclosed. All form important elements of two out of five the CG components to be evaluated annually. The assessment criteria cover AGM procedures before the meeting (45%), at the meeting date (45%), and after the meeting (10%). <i>(The first assesses 1) advance circulation of sufficient information for voting; and 2) facilitating how voting rights can be exercised. The second assesses 1) the ease of attending meetings; 2) transparency and verifiability; and 3) openness for Q&amp;A. The third involves the meeting minutes that should contain discussion issues, resolutions and voting results.)</i>	The scores are classified into four categories: 5 for Excellent (100), 4 for Very Good (90-99), 3 for Fair (80-89), and not rated for scores below 79.																				
Thai CAC By Thai Private Sector Collective Action Against Corruption (CAC)	The core elements of the Checklist include corruption risk assessment, establishment of key controls, and the monitoring and developing of policies. The Certification is good for three years. <i>(Companies deciding to become a CAC certified member start by submitting a Declaration of Intent to kick off an 18-month deadline to submit the CAC Checklist for Certification, including risk assessment, in place of policy and control, training of managers and employees, establishment of whistleblowing channels, and communication of policies to all stakeholders.)</i>	The document will be reviewed by a committee of nine professionals. A passed Checklist will move for granting certification by the CAC Council approvals whose members are twelve highly respected individuals in professionalism and ethical achievements.																				
Morningstar Sustainability	The Sustainability's ESG risk rating provides an overall company score based on an assessment of how much of a company's exposure to ESG risk is unmanaged. <i>Sources to be reviewed include corporate publications and regulatory filings, news and other media, NGO reports/websites, multi-sector information, company feedback, ESG controversies, issuer feedback on draft ESG reports, and quality &amp; peer reviews.</i>	A company's ESG risk rating score is the sum of unmanaged risk. The more risk is unmanaged, the higher ESG risk is scored. <table><tr><th>NEGL</th><th>Low</th><th>Medium</th><th>High</th><th>Severe</th></tr><tr><td>0-10</td><td>10-20</td><td>20-30</td><td>30-40</td><td>40+</td></tr></table>	NEGL	Low	Medium	High	Severe	0-10	10-20	20-30	30-40	40+										
NEGL	Low	Medium	High	Severe																		
0-10	10-20	20-30	30-40	40+																		
ESG Book	The ESG score identifies sustainable companies that are better positioned to outperform over the long term. The methodology considers the principle of financial materiality including information that significantly helps explain future risk-adjusted performance. Materiality is applied by over-weighting features with higher materiality and rebalancing these weights on a rolling quarterly basis.	The total ESG score is calculated as a weighted sum of the features scores using materiality-based weights. The score is scaled between 0 and 100 with higher scores indicating better performance.																				
MSCI	MSCI ESG ratings aim to measure a company's management of financially relevant ESG risks and opportunities. It uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. <table><tr><td>AAA</td><td>8.571-10.000</td><td rowspan="3">Leader:</td><td rowspan="3">leading its industry in managing the most significant ESG risks and opportunities</td></tr><tr><td>AA</td><td>7.143-8.570</td></tr><tr><td>A</td><td>5.714-7.142</td></tr><tr><td>BBB</td><td>4.286-5.713</td><td rowspan="3">Average:</td><td rowspan="3">a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers</td></tr><tr><td>BB</td><td>2.857-4.285</td></tr><tr><td>B</td><td>1.429-2.856</td></tr><tr><td>CCC</td><td>0.000-1.428</td><td>Laggard:</td><td>lagging its industry based on its high exposure and failure to manage significant ESG risks</td></tr></table>		AAA	8.571-10.000	Leader:	leading its industry in managing the most significant ESG risks and opportunities	AA	7.143-8.570	A	5.714-7.142	BBB	4.286-5.713	Average:	a mixed or unexceptional track record of managing the most significant ESG risks and opportunities relative to industry peers	BB	2.857-4.285	B	1.429-2.856	CCC	0.000-1.428	Laggard:	lagging its industry based on its high exposure and failure to manage significant ESG risks
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Moody's ESG solutions	Moody's assesses the degree to which companies take into account ESG objectives in the definition and implementation of their strategy policies. It believes that a company integrating ESG factors into its business model and relatively outperforming its peers is better positioned to mitigate risks and create sustainable value for shareholders over the medium to long term.																					
Refinitiv ESG rating	Designed to transparently and objectively measure a company's relative ESG performance, commitment and effectiveness across 10 main themes, based on publicly available and auditable data. The score ranges from 0 to 100 on relative ESG performance and insufficient degree of transparency in reporting material ESG data publicly. <i>(Score ratings are 0 to 25 = poor; &gt;25 to 50 = satisfactory; &gt;50 to 75 = good; and &gt;75 to 100 = excellent.)</i>																					
S&P Global	The S&P Global ESG Score is a relative score measuring a company's performance on and management of ESG risks, opportunities, and impacts compared to its peers within the same industry classification. The score ranges from 0 to 100.																					
Bloomberg	ESG Score	Bloomberg score evaluating the company's aggregated Environmental, Social and Governance (ESG) performance. The score is based on Bloomberg's view of ESG financial materiality. The score is a weighted generalized mean (power mean) of Pillar Scores, where the weights are determined by the pillar priority ranking. Values range from 0 to 10; 10 is the best.																				
Bloomberg	ESG Disclosure Score	Disclosure of a company's ESG used for Bloomberg ESG score. The score ranges from 0 for none to 100 for disclosure of every data point, measuring the amount of ESG data reported publicly, and not the performance on any data point.																				

[Rating](#) regarding the sustainable development of Thai listed companies, both on the SET and MAI, are publicly available on the website of the Securities and Exchange Commission of Thailand (SEC). Currently, ratings available are 1) **"CG Score"**; 2) **"AGM Level"**; 3) **"Thai CAC"**; and 4) **THSI**. The ratings are updated on an annual basis. FSSIA does not confirm nor certify the accuracy of such ratings.

Source: FSSIA's compilation



GENERAL DISCLAIMER

ANALYST(S) CERTIFICATION

Teerapol Udomvej, CFA FSS International Investment Advisory Securities Co., Ltd

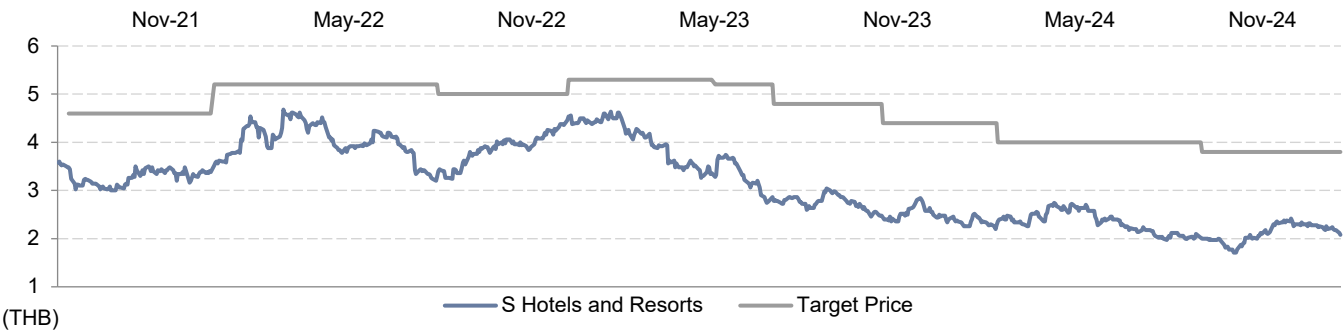
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History of change in investment rating and/or target price

S Hotels and Resorts (SHR TB)



Date	Rating	Target price	Date	Rating	Target price	Date	Rating	Target price
23-Nov-2021	BUY	4.60	23-Jan-2023	BUY	5.30	18-Oct-2023	BUY	4.40
25-Mar-2022	BUY	5.20	26-May-2023	BUY	5.20	24-Jan-2024	BUY	4.00
04-Oct-2022	BUY	5.00	17-Jul-2023	BUY	4.80	16-Jul-2024	BUY	3.80

Teerapol Udomvej, CFA started covering this stock from 03-Nov-2020

Price and TP are in local currency

Source: FSSIA estimates

Company	Ticker	Price	Rating	Valuation & Risks
S Hotels and Resorts	SHR TB	THB 2.08	BUY	Downside risks to our DCF-based target price include 1) extraordinary events such as political turmoil and natural disasters; 2) a higher hotel room supply, which may result in price competition; and 3) the slower-than-expected recovery of international tourist numbers.

Source: FSSIA estimates

Additional Disclosures

Target price history, stock price charts, valuation and risk details, and equity rating histories applicable to each company rated in this report is available in our most recently published reports. You can contact the analyst named on the front of this note or your representative at Finansia Syrus Securities Public Company Limited.

All share prices are as at market close on 12-Nov-2024 unless otherwise stated.

## RECOMMENDATION STRUCTURE

### Stock ratings

Stock ratings are based on absolute upside or downside, which we define as  $(\text{target price}^* - \text{current price}) / \text{current price}$ .

**BUY (B).** The upside is 10% or more.

**HOLD (H).** The upside or downside is less than 10%.

**REDUCE (R).** The downside is 10% or more.

Unless otherwise specified, these recommendations are set with a 12-month horizon. Thus, it is possible that future price volatility may cause a temporary mismatch between upside/downside for a stock based on market price and the formal recommendation.

\* In most cases, the target price will equal the analyst's assessment of the current fair value of the stock. However, if the analyst doesn't think the market will reassess the stock over the specified time horizon due to a lack of events or catalysts, then the target price may differ from fair value. In most cases, therefore, our recommendation is an assessment of the mismatch between current market price and our assessment of current fair value.

### Industry Recommendations

**Overweight.** The analyst expects the fundamental conditions of the sector to be positive over the next 12 months.

**Neutral.** The analyst expects the fundamental conditions of the sector to be maintained over the next 12 months.

**Underweight.** The analyst expects the fundamental conditions of the sector to be negative over the next 12 months.

### Country (Strategy) Recommendations

**Overweight (O).** Over the next 12 months, the analyst expects the market to score positively on two or more of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Neutral (N).** Over the next 12 months, the analyst expects the market to score positively on one of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.

**Underweight (U).** Over the next 12 months, the analyst does not expect the market to score positively on any of the criteria used to determine market recommendations: index returns relative to the regional benchmark, index sharpe ratio relative to the regional benchmark and index returns relative to the market cost of equity.